



North Carolina Real Estate Commission
P.O. Box 17100, Raleigh, N.C. 27619-7100
Phone (919) 875-3700 • Email educ@ncrec.gov
Fax (919) 877-4216 • Web site - www.ncrec.gov

Application for Original Approval of Private Real Estate School

Requirements for licensing and operation of private real estate schools
and the standards for courses and instructors are defined in

[General Statute 93A-Article 3](#) and Commission Rules [58C.0201-.0221](#), [58C.0301-.0313](#) & [58C.0601-.0608](#).

PLEASE REVIEW THE STATUTE AND RULES PRIOR TO COMPLETING THIS FORM

1. **Name of Applicant (School Owner):** _____

Name must be exactly the same as the name of school owner shown on the bond and the school bulletin.

2. **Name of Proposed School:** _____

See [Rule 58C.0203-School Name](#) for requirements.

3. **Address of Principal Office of School/Owner:** _____

City, State, 9-Digit Zip: _____ **Telephone:** _____

Email Address: _____ **Web Address:** _____

4. **Name of Proposed School Director:** _____

Email Address: _____

See [Rule 58C.0206-Administration](#) for qualification requirements. A resume or letter describing the proposed director's qualifications must be enclosed with the application.

5. **Mailing Address of School Director:** _____

City, State, 9-Digit Zip: _____ **Telephone:** _____

6. **Applicant/School Owner is (check one):**

Sole Owner (Sole Proprietor)

Limited Liability Company (LLC)

General Partnership

Limited Partnership

Corporation

Other Business Entity

7. **Secretary of State Identification Number (SOSID):**

If applicant/school owner is a corporation, limited liability company or limited partnership, the applicant must provide the entity's SOSID. A corporation, limited liability company or limited partnership is required by North Carolina law to be registered with the office of the N. C. Secretary of State and to maintain that registration on current status.

If the corporation, limited liability company or limited partnership is a "foreign" business entity (not domiciled in NC), then the entity must obtain a "Certificate of Authority to Transact Business in North Carolina" from the office of the Secretary of State.

Applicants must be in compliance with these requirements to be eligible for licensure and compliance will be verified by the Commission. A sole owner, general partnership or other business entity may skip this item or enter "N/A".

8. **Business Ownership Management Information**

If the applicant/school owner is a business entity (i.e, not the sole individual owner of the school), provide the requested information in the appropriate area below. Attach additional sheet(s) if necessary.

CORPORATION: Corporate Officers

List the name, corporate title, and percentage of stock ownership of every major officer (President, Vice-President(s), Secretary, Treasurer, etc.) of the corporation.

Officer Name	Title	% of Stock Ownership

Other Corporate Shareholders: List the name, corporate title, and percentage of stock ownership of any additional persons (or entities) owning at least 10% of the outstanding shares of stock of any class.

Shareholder Name	Title	% of Stock Ownership

LIMITED LIABILITY COMPANY: Managers and Members

List the name, mailing address, and percentage of ownership for every manager and/or member with an ownership interest of at least 10%.

Name	Manager or Member?	Mailing Address	% of Ownership

PARTNERSHIP: General and Limited Partners

List the name, mailing address, and percentage of ownership for every general and/or limited partner with an ownership interest of at least 10%.

Partner Name	General or Limited?	Mailing Address	% of Ownership

OTHER BUSINESS ENTITY: Principals

List the name, title, and mailing address and percentage of ownership of every person or entity who serves as a major officer or manager (President, Vice-President, Secretary, Treasurer, Executive Officer, Business Manager, etc.), as well as every person or entity with an ownership interest of at least 10%.

Principal Name	Title	Mailing Address	% of Ownership

9. Character of School Owner(s)/Official(s)

- a. **Criminal Offenses:** Has anyone listed in Items 1, 4 or 8 *EVER* been convicted of any criminal offense (*felony or misdemeanor*) or is there any criminal charge currently pending against them? **YES** **NO**

You must report all offenses for **driving while impaired** and any other offenses classified as “criminal traffic” offenses. Exclude only minor traffic “infractions”.

If “Yes”, provide a copy of the court judgment, release from parole or probation, and a complete explanation from each affected person.

- b. **Professional License Disciplinary Action:** Has anyone listed in Items 1, 4 or 8 *EVER* been denied a real estate license or had a real estate or other professional license suspended, revoked or surrendered, or otherwise been disciplined by any professional licensing agency in N.C. or elsewhere; or are there currently any charges or complaints pending against them in connection with any real estate or other professional license that they hold? **YES** **NO**

If “Yes”, provide a copy of the licensing agency’s order and a complete explanation from each affected person.

10. Classroom Facilities

Complete and submit a [Description of Classroom Facility \(Form REC 3.54\)](#) link, along with the enclosures required by that form, for each classroom facility for which licensure is requested.

11. Fire Inspection

For each classroom facility, attach a copy of the fire inspection report and include an explanation of any noted deficiencies found by the fire marshal and not indicated by the fire marshal as having been corrected.

Classroom Facility Name	Fire Inspection Report Attached? Yes / No	Explanations of Corrected Deficiencies Attached? Yes / No / NA

Courses, Classroom Hours, and Textbooks

a. Broker **PRE**license Course

Will you be conducting this course? Yes No (If NO, skip to section b.)

Classroom Hours, including examination time: _____hours

Textbook (check one):

Galaty, Allaway, Kyle & Carpenter, *Modern Real Estate Practice in North Carolina, 8th edition update*

Mangum and Keck, *North Carolina Real Estate Principles and Practices, 7th edition update*

Have you received/downloaded the [October 2013 edition of the Prelicensing Course Syllabus](#)? Yes No

b. Broker **POST**licensing Courses

Will you be conducting these courses? Yes No (If NO, skip to question 13.)

Classroom Hours, including examination time, per course:

- *Broker Relationships & Responsibilities*: _____ hours
- *Contracts & Closing*: _____ hours
- *Selected Topics*: _____ hours

NOTE: The required textbook for all three postlicensing courses is the current edition of the Commission's *North Carolina Real Estate Manual*.

Have you received / downloaded the [January 2013 editions of the Postlicensing Course Syllabi](#)? Yes No

12. Required Attachments Checklist

All of the following items MUST be attached to the application. An incomplete application will be returned to the applicant. Check to indicate you have attached each item.

License Application Fee

The location fee must be paid for each location; however, course fees need only be paid once for each school. All application fees must be paid by cashier's check or money order. Cash or personal checks will not be accepted. All application fees are nonrefundable. Refer to Rules [58C.0202](#) and [58C.0217](#).

For Each Classroom Location: \$200 x _____ location(s): \$ _____
+ _____

For Approval to Conduct Broker Prelicensing Course: \$40: \$ _____
+ _____

For Approval to Conduct Broker Postlicensing Courses: \$120 (\$40 each): \$ _____
= _____

TOTAL RENEWAL FEE to be paid by cashier's check or money order: \$ _____

Copy of **Proposed Student Enrollment Contract**. Click here for [Sample Student Enrollment Contract \(Form REC 3.69\)](#) link

Copy of **Proposed School Bulletin**. Click here for [Bulletin Guidelines for Private Real Estate Schools \(Form REC 3.67\)](#) link

Description of Proposed School Director's Qualifications.

Description of Classroom Facility form for each location. See item 10. Click here for [Description of Classroom Facility \(Form REC 3.54\)](#)

Fire Inspection Report(s) for each classroom facility. *See item 11. Deficiencies must have been corrected.*

Copy of **private real estate school performance bond**. Name of the school owner on bond must be exactly the same as the name of the applicant-school owner on the license application. If a business entity, the name of the school owner must be consistent with the NC Secretary of State's records. Do not record bond until applicant has received written authority from the Commission to do so.

Copy of completed [*Consent to Service of Process and Pleadings \(Form REC 1.03\)*](#). Click here for Consent form>. link *This requirement applies ONLY to Foreign (Out-of-State) Corporations, Limited Liability Companies and Limited Partnerships.*

13. Signature and Certification of Applicant

The undersigned certifies that he/she has read the foregoing application and that the information provided therein, including any attachments, is true and correct to the best of his/her knowledge and belief, and that, if other than the sole owner, he/she is duly authorized by the applying business entity to file this application. The undersigned further declares that he/she has read the North Carolina Real Estate Commission's requirements for licensure and operation of a private real estate school.

_____	_____
Printed Name	Title
_____	_____
Signature	Date

License Application Requirements and Procedures

Application Process

1. Prior to completing an application...

a. Review [General Statute 93A-Article 3](#) and **Commission Rules** [58C.0201-.0221](#), [58C.0301-.0313](#) & [58C.0601-0608](#) regarding requirements for licensing and operation of private real estate schools and the standards for courses and instructors.

Review of the following forms and documents is also recommended:

- [<Description of Classroom Facility \(Form REC 3.54\)>link](#)
- Commission's prescribed Course Syllabus for each course to be offered. Prelicense and Postlicense course syllabi are available on the [Commission's website](#).

b. **Select Instructors.** Per [Rule 58C.0602](#), instructors must apply and be approved by the Commission independently of school licensure. If you propose to use an instructor who is not currently approved by the Commission, have the proposed instructor(s) complete and submit an application(s) for instructor approval and obtain a temporary approval before you take steps toward establishing a school. (Minimum requirements for instructor approval are detailed in [Rule C.0603](#)).

c. **Select a proposed school name** which complies with [Rule C.0203](#) and discuss the proposed name with the Commission's Education and Examination Officer prior to obtaining a bond or filing an application. Generic names such as "The Real Estate Education Center" or "The Real Estate Academy" are not acceptable. Names such as the "Smith School of Real Estate" or "ABC Real Estate Academy" would be acceptable. The school name must be used in all school publications and advertising.

d. **Select a proposed school director** who satisfies the requirements of [Rule C.0206](#). It is strongly suggested that you obtain a preliminary opinion from the Commission's Education and Examination Officer regarding the proposed director's qualifications. Also, if the school owner is not to be the director, then the director should be someone who is an employee or associate of the owner and who will be in a position to oversee school operations.

e. **Select a proposed classroom facility** that satisfies the requirements of [Rule C.0207](#). It is strongly suggested that you obtain a preliminary opinion from the Commission's Education and Examination Officer regarding the proposed facility. Per [Rule C.0219](#), you must comply with all provisions of the Americans with Disabilities Act (ADA) when operating a private real estate school.

f. **Obtain a fire inspection by appropriate local fire department for proposed classroom facilities.** The fire inspection must have been performed since January 1 of the current calendar year. If any deficiencies were noted in the inspection report, you must attach a letter certifying that those deficiencies have been corrected.

g. **Draft a proposed school bulletin** which fully complies with the requirements of [G.S. 93A-34\(c\)\(5\)](#) and Rules [C.0208](#), [C.0210](#), and [C.0214](#), and which adheres to the Commission's "Guidelines" for school bulletins. An inadequate or unsatisfactory bulletin is one of the major causes of delays in the licensing process. The bulletin must address all points required by the law and rules in a clear and complete manner. Spelling and grammatical errors are unacceptable. [Bulletin Guidelines for Private Real Estate Schools \(Form REC 3.67\)](#) link is available on the Commission's website.

h. **Draft a proposed enrollment contract** which fully complies with the requirements of [Rule C.0209](#). [Sample Student Enrollment Contract \(Form REC 3.69\)](#) link is available on the Commission's website.

i. **Obtain a \$5,000 private real estate school licensing bond** (a performance bond) from a bonding/guaranty company using the form provided by the Commission. The name of the school owner shown on the bond must be identical to the name of the school owner on the application form. Also, the name of the school on the bond form must be exactly the same as the name of the school on the application form. See [G.S. 93A-36](#)

and [Rule C.0213](#). Improper completion of the bond form is a common reason for delay in obtaining a license. Do not record the bond with the clerk of superior court until you are specifically instructed to do so by the Commission. The *Private Real Estate School Performance Bond* form is provided at the end of this form.

2. **Complete the *Application for Original Approval of Private Real Estate School*.** Attach all required application enclosures.
3. **Mail completed application and all required enclosures** to the *North Carolina Real Estate Commission* at the address shown on the application. The application and licensing process typically requires a minimum of 30 days and sometimes considerably longer, as applications are often not complete and/or satisfactory upon first submission. Consequently, it is strongly suggested that you submit your application a minimum of 60 days prior to your proposed class start date.

Application Review Process

- I. Upon receipt, your application will be reviewed by Commission staff for compliance with licensing requirements. *(Please allow 15 calendar days after receipt by the Commission for this review.)*
2. If deficiencies in your application are discovered, you will be notified of those deficiencies and given reasonable time to correct them. If the noted deficiencies are not corrected within the time prescribed, your license application will be considered withdrawn and your application fees will be forfeited.
3. Upon correction of all deficiencies, or if only minor deficiencies are pending correction, you may be authorized by letter to commence advertising pending completion of the license application process. In addition, this letter will indicate if a physical inspection of proposed classroom facilities by the Commission is needed and will advise you to do the following:
 - a. File your licensing bond with the clerk of superior court in the county where your school's administrative office is located. (Take the original bond with you to the clerk's office.) Then, send the original bond with the clerk's "FILED" stamp on it to the Commission, retaining a copy of the filed bond for your own records.
 - b. Correct any remaining deficiencies with regard to your application.
4. Upon your compliance with all requirements for licensure and correction of any deficiencies, your license will be issued.

Important Note

No applicant for a private real estate school license may commence advertising for proposed courses to be conducted by a proposed new school until granted specific written permission to do so by the Commission. Under no circumstances may a proposed new school enroll students or commence classes prior to issuance of the school license.

Inquiries

Any questions regarding private real estate school licensing should be directed to the Commission's Education and Examination Officer at (919) 875-3700.

PRIVATE REAL ESTATE SCHOOL PERFORMANCE BOND

NORTH CAROLINA

BOND NO._____

COUNTY _____

WHEREAS, the Principal (School Owner) named below desires to operate a private real estate school known as the _____ (*Name of School*), with its principal administrative office located in _____ **County**, North Carolina, and said party must obtain a bond as described in G.S. 93A-36 in order to be licensed to operate such school.

NOW THEREFORE, _____ (*Name of School Owner*), as Principal,
and the _____ (*Name of Guaranty Company*),

a guaranty company authorized to do business in the State of North Carolina, as Surety, do hereby acknowledge themselves to be indebted to the State of North Carolina in the sum of five thousand dollars (\$5,000) good and current money of the United States, and to the payment thereof we hereby bind ourselves, our executors, administrators and successors, subject to the condition that should said Principal, during the period for which this bond is in force, carry out and comply with each and every contract or agreement, written or verbal, made and entered into by the Principal's school, acting by and through its officers and agents, with any student who desires to enter such school and to take courses offered therein, and should said Principal refund to such students all amounts collected in tuition and fees in case of failure on the part of the Principal to open and operate a private real estate school or to provide the instruction agreed to or contracted for, then the foregoing obligation shall be null and void; otherwise, such obligation shall have full force and effect in accordance with the provisions of G.S. 93A-36.

Upon approval by the North Carolina Real Estate Commission, this bond and any subsequently executed riders and amendments shall be filed for record by the Principal with the Clerk of Superior Court in the county where the school's administrative office is located. The Surety may cancel this bond upon provision of thirty (30) days written notice to both the Principal and the Education Division of the North Carolina Real Estate Commission, provided that such cancellation shall not affect the obligation of the Surety under this bond with respect to any students duly enrolled or from whom tuition or fees have been collected as of the effective date of cancellation.

IN WITNESS WHEREOF, the makers have hereunto set their hands and seals by duly authorized persons, and any applicable corporate seals, this the _____ **day of** _____ (*month*), 20____.

Principal (School Owner)

Name of Principal (School Owner)

Address

City

State

Zip

BY:

Signature of Authorized Person

AFFIX CORPORATE SEAL

(If School Owner is a Corporation)

[Authorized Person means the owner of a sole proprietorship, authorized officer of a corporation, authorized manager of a limited liability company, the general partner of partnership, etc.]

Type or Print Name of Person Signing

Title or Position of Person Signing

Surety

Name of Surety

Address

City

State

Zip

Name of Attorney-in-Fact (attach copy of Power of Attorney)

Signature

AFFIX CORPORATE SEAL

(If School Owner is a Corporation)

North Carolina Resident Insurance Agent

Name

Signature

Address

City

State

Zip